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FARM OWNERSHIP IN THE UNITED STATES

In 1880, for the first time, the census bureau gathered the statistics of land tenure in the United States, and the highly gratifying result was announced that three-quarters (74.5 per cent.) of all the farms in the country were operated by their owners, while only one-fourth (25.5 per cent.) was occupied by tenants. The increase of tenancy during the next decade to 28.4 per cent. of all farms operated gave rise to some misgiving, and the results of the next census were awaited with considerable anxiety. Now that the census of 1900 has disclosed the fact that tenant farms have grown to 38.3 per cent. of all, while owners are operating only 64.7 per cent. of the farms, fears are being expressed on every hand that our democratic conditions of land ownership are disappearing, that the ownership of our farms is being concentrated into fewer hands, and that methods of large-scale production in agriculture are crushing out the small independent farmer as effectively as they have crowded out the small manufacturer and retailer in other fields. It has been taken for granted generally that the increase of tenants was at the expense of owners, and that such a tendency indicated a movement toward Old-World conditions of land tenure. It is the purpose of this article to show that such alarmist statements rest upon a superficial analysis of the facts, and that, properly interpreted, the statistics of farm tenure in the United States evidence a very healthy development and give bright promise for the future.

And first let us see exactly what the facts are. The total number of farms in the United States grew from 4,000,000 in 1880 to 5,700,000 in 1900; while the number of owners operating their

own farms at each of these periods increased from 2,984,000 to 3,713,000. It is clear in the first place then that the number of owners has steadily increased, and that their relative decline as compared with the total number of farmers can only be because of the more rapid rise of the tenant class. But not merely has the number of farm owners grown absolutely; it has grown more rapidly than the agricultural population. In 1850 there was only one farm for every 14 persons outside of cities of 8,000 inhabitants; in 1900 there was one farm for every 9 such persons. Or, stating it differently, in proportion to the non-urban population, there were 7 farms in 1900 where there were only 4 in 1850. From this it is clear that the non-urban population of the United States was much better provided with separate farms at the end than it had been in the middle of the century, when land was to be had almost for the taking. Indeed, in 1900 there was one farm *owned* for every 14 persons living outside of cities. The growth of farm owners has thus more than kept pace with the increase of the non-urban population.

There is involved in this comparison of the number of farm owners with the non-urban population an admission that this part of our population has not increased rapidly, and this inference is abundantly borne out by the facts. Not merely this, but the proportion of the population devoting themselves to agricultural pursuits has steadily decreased during the past century. The decline in the proportion of the agricultural population, as the United States has passed from a primitive agricultural stage of development to a highly organized manufacturing and commercial stage, has in fact been almost startling. From 86.3 per cent. of the population in 1820, the percentage of those engaged in agriculture has fallen steadily until it reached 35.7 per cent. in 1900. So much more rapid, however, has been the progress in agricultural methods and machinery during this period, that the per capita production of farm products has steadily increased. The output of the smaller proportion has sufficed not only to feed the growing population, but each year to send abroad a larger surplus of goods not needed at home. With improved machinery and better methods the farm could be run with fewer laborers, or, what amounts to the same thing, the average farmer could manage a bigger farm. The labor thus set free from agricultural pursuits, because not needed there, has gone into other occupations; and this has made possible

our diversified industrial and commercial development. Since most of the non-agricultural work is done in cities, this shifting of occupation has connoted a steady and irresistible movement to the city, so that today over one-third of our population lives in cities of over 8,000 inhabitants as against only one-thirtieth one hundred years ago. This change has meant that instead of the greater part of our labor and capital going into the more material business of providing food and raw materials, it is being increasingly devoted to the satisfaction of the more complex wants which characterize our modern life.

That this change involves an economic loss would hardly be urged. Much is said, however, about the physical, moral, and even social disadvantages involved in the movement from the farm to the city. The enormous increase in production which has attended the factory system shows conclusively that it was necessary for the best results to mass men together; capital, power, and labor had to be brought to one spot, and often under one roof. Only under urban conditions was it possible to secure the industrial advance of the nineteenth century. The mass of the population will never again be moved back to the farm, nor is it desirable that they should be. That our present congested cities should be decentralized, may, however, readily be granted; and, possibly, the growing use of electricity may solve the problem not merely of cheap and rapid transportation, but also of furnishing power to individual workers living on the land. The city dweller and worker may and should be brought back to the joys of country living, if not to the labor of the farm.

But if this movement from the farm to the city does not indicate an undesirable tendency, what shall we say of the growth of the tenant class within the agricultural population? If the number of owners has not declined, from what quarter has the tenant class been recruited? The answer to this question may best be stated briefly in the form of a table, the meaning of which can afterward be explained in greater detail:

Of every 1,000 males engaged in agriculture there were—

Year	Owners	Tenants	Persons not Owners or Tenants
1880.....	422	145	433
1890.....	420	166	414
1900.....	423	231	346

From this table it is clearly seen that the number of owners in every 1,000 men engaged in agriculture has remained stationary during the last 20 years, that the number of tenants has increased, and that the number of "other persons" has declined. This third group comprises the male members of the farmer's family and his hired laborers. The gain in the number of farm tenants has evidently been due to the large number of recruits from the class of farm laborers and farmer's sons, rather than to a decline in the number of farm owners. It must be admitted that owners have just maintained their position, but this at least forbids a pessimistic outlook. We may, however, go farther than this and show that a proper interpretation of the figures warrants us in drawing optimistic conclusions as to the meaning of this change.

It is a trite remark that the country boys are forsaking the farm for the city, and that there is no compensating return flow to the farm from the city or from foreign countries through immigration. In spite of these conditions it is a surprising fact that in each decade since 1870 the increase in the number of farms has been more rapid than that of the male population engaged in agriculture. These facts are shown in the following table:

Decade Ending	Males Engaged in Agriculture	Percentage of Increase in No. of Farms
1880.....	28.1	50.7
1890.....	10.1	13.9
1900.....	20.1	25.7

The gain in the number of males engaged in agriculture measures fairly the increase in farm population from one decade to another, while the number of farms is an index of the number of those operating farms, whether as owner or tenant. Since the latter class increased relatively faster than the former in each decade, the increased number of farm operators must have been drawn from the agricultural population itself and not from outside sources. Now the only class not already operating farms who could take up the new farms are the laborers or young men. So we see that in spite of the constant stream of vigorous young men who enter into the industrial activities of our cities, a constantly increasing proportion of those who remain at home improve their condition by taking up farms on their own account.

It may be urged, however, that these young men do not become

owners; that at most they simply rent a farm, and then either remain tenants, fall back into the class of laborers, or drift to the cities. But that is assuming too much. If the number of farm owners remains stationary while that of the tenants is increasing it is evident that the children of the owners do not remain tenants but take their fathers' places, while the ranks of the tenants are recruited rather from the group of farm laborers. Such a change marks a decided advance in the economic status of this group. A further study of the ages of laborers, tenants, and owners shows that there is a progressive upward movement on farms by which the children of farmers succeed to the positions of their parents and ultimately become farm owners, while wage laborers rise to the class of tenants, passing often from that to ownership. Over 70 per cent. of the males not owners or tenants (i. e., children and laborers) are between the ages of 10 and 24; 57 per cent. of the tenants are between 25 and 44 years of age; while 58 per cent. of the owners are 45 years of age or over. Or, in other words, the great majority of the young men are laborers, the majority of those in middle life are tenants, while the older men are for the most part owners of farms. These facts are still more clearly brought out by considering the distribution of these three classes in the different age groups. Thus in the age group 10-25, over 92 per cent. of all were children or laborers ("others"); and in the age group 65 and over, more than 80 per cent. were owners. In 1850 less than 70 per cent. of the men over 65 years of age were owners of the farms they worked. So far, therefore, from conditions of farm tenure becoming less democratic in the last 50 years, they have steadily improved. There is today a healthy progress upward in the steady advancement of the wage laborers and children of farmers, first to tenancy, and finally, with advancing age and ability and accumulated capital, to farm ownership.

But again objection may be urged at this point that at best a desirable tendency has been demonstrated, which may make for improvement in the future, but that the facts show for the present a regrettable state of affairs. Even this may be disputed. On the surface it may appear that for over one-third of the farms of the country to be in the hands of tenants is an indication of landlordism and of the concentration of landed property in relatively fewer hands. But if we examine the facts more closely our fears are dissipated. Dividing farms according to their size, we find that the

average size of the farms of owners (174 acres) is almost twice that of the farms of tenants (96 acres), though the average value per acre of the latter (\$29) is somewhat higher than that of the former (\$23). That is to say, relatively small tracts of the more improved land are rented to tenants, while the pioneer work of improving land for cultivation, the taking-up of new land in the West, is always done by owners. Tenants outnumber owners only in the smaller farms of from 10 to 50 acres, becoming rapidly fewer as the farms increase in size. Almost half of the farms worked by tenants are less than 50 acres in size, while the size of the average American farm is nearly 150 acres. In the largest rented farms, of over 1,000 acres, are represented the great grazing districts of the far West, which are often leased instead of being owned and are quite abnormal.

It may be well at this point to notice another fact disclosed by the census which, taken in conjunction with the statistics of land tenure, has been pessimistically interpreted, and at first sight seems to indicate a reversal of our democratic conditions of land ownership. From 1850 to 1880 there was a constant and universal movement in all parts of the United States in the direction of the diminution of the average size of farms, from 203 acres to 134 acres. Since that time an exactly opposite tendency has manifested itself and by 1900 the size of the average farm had risen to 147 acres. Shall we conclude from this that the small farms are passing away, and are being swallowed up in larger holdings? A closer examination of the facts shows that the increase has taken place in the north central and western states, while the South shows a continued decrease in the size of farms since 1880. The decline in the South is due to the change in the methods of cotton production; instead of being produced on large plantations, it is now cultivated by small tenant farmers among whom the large domains have been parceled out. In the south Atlantic states, for instance, the average size of farms decreased from 376 acres in 1850 to 157 acres in 1880 and 108 acres in 1900. The reason for the slight increase in the north central states is not so evident, but is undoubtedly due to the inclusion of new states like the Dakotas, or new lands in Nebraska, Wisconsin, and Kansas, which did not appear in the census of 1880, and which are naturally given over to extensive cultivation in large tracts. The increase in that section is therefore not due to the concentration of holdings in fewer hands,

but to the addition of new holdings larger than the older ones. This is even more markedly true of the western division, where the increase in size is most marked. Except in the case of California, colonization of that section had scarcely begun in 1880 and was confined to the best lands. By 1890, however, the semi-arid lands were entered, and by 1900, thanks to the new methods of irrigation and dry farming, the arid lands had been invaded and brought under partial cultivation. These districts are best suited to grazing; and cattle-raising on the semi-arid ranches of the far West is essentially a large-scale industry. The inclusion, therefore, of these grazing districts and of the large ranches on the public lands of the United States caused a very large statistical increase in the average size of farms in this section, which was sufficient to bring up the average for the United States as a whole. We may certainly expect that as colonization pushes farther westward and as the population becomes more dense the extensive use of the soil will give way to more intensive cultivation and the bonanza farms and ranches will be broken up into smaller parcels. There is nothing to alarm in the figures so far presented, the increase being more statistical than real.

Averages, however, do not tell the story so well as do detailed facts. By taking the distribution of owned and rented farms by states, we find that rented farms outnumber owned farms in only seven states, namely, Delaware, Alabama, Louisiana, Georgia, South Carolina, Mississippi, and Indian Territory, ranging, in the order named, from 50 per cent. of all in Delaware to 75 per cent. of all in Indian Territory. It is to the preponderance of tenancy in the southern states therefore that we must look for an explanation of the growth of that form of tenure. The relative decline of ownership in the United States as a whole has resulted from the growth of tenant farming in the South. We have here then the key to the whole situation. Does this indicate an undesirable state of affairs or shall we find, upon a closer analysis of southern agricultural conditions, that there is occasion here too for optimism and hope? To answer this question intelligently we shall have to go back to ante-bellum conditions.

Under slavery as it existed in the South before the Civil War the production of cotton was the most profitable crop, the cultivation of rice, sugar, and even tobacco being sacrificed to this one staple, while grain, livestock, and food products did not suffice

even for home consumption. According to the wasteful methods of cultivation then prevalent, cotton was planted by slave labor on new land, which was promptly abandoned as soon as worn out, and other new land, of which there were practically unlimited quantities in the West and Southwest, was brought under cultivation. Between 1850 and 1860 the average size of plantations in the cotton-growing South increased from 427 to 431 acres, while the region of large farms moved farther and farther to the southwest. The Civil War overthrew this economic system of large plantations and slave labor, and left the southern planters without capital and without slaves. The higher price of cotton, however—43 cents a pound in 1865 and 30 cents in 1866—encouraged the planters to revive its production. Many borrowed the necessary capital, thus introducing on a large scale the system of agricultural credit which has since been so characteristic of southern agriculture, and proceeded to raise cotton with hired labor.¹ This had two unfortunate results: in the first place, there was an overproduction of cotton, causing a rapid fall in the price; in the second place, it led to a return to the old one-crop plantation system, with its concentration on cotton. The wage system which was inaugurated was found to be utterly unsatisfactory, as the freedmen were quite irresponsible. The character of the labor and the falling price of cotton, in addition to the burden of overtaxation under the carpet-bag government, caused the ruin of many planters, and vast areas of land went out of cultivation.

Plantations that had brought from \$100,000 to \$150,000 before the War, and even since, were sold at \$6,000 or \$10,000, or hung on the hands of the planter and his factor at any price. The ruin seemed to be universal and complete, and the old plantation system, it then seemed, had perished utterly and forever.²

The total value of farming lands in the South declined over 48 per cent. between 1860 and 1870.

An era of small farms followed the failure of the large plantation system under free labor, and the large land holdings were broken up to suit small purchasers. Many of the "poor whites" and not a few negroes purchased farms of 10 to 12 acres, and proceeded to raise cotton on their own account. In Mississippi, for example, there were but 412 farms of less than 10 acres in 1867, and

¹ See my *Economic History of the United States*, p. 273 (Longmans, 1907).

² H. W. Grady, in *Harper's Magazine*, Vol. LIII, p. 721.

10,003 in 1870; the number of small farms of less than 100 acres increased 55 per cent. in the South during the decade 1860-70, while the average size of farms decreased from 401.7 acres to 229.8 acres. Nearly 40 per cent. of the laborers engaged in the cultivation of cotton by 1876 were whites, as against about 11 per cent. before the War. In fact, it was mainly the "poor whites" who took over the land relinquished by the large "antebellum" planters and began the process of regenerating the South.

The effect of this system in cutting up the large plantations of the South may be seen in the almost continuous decrease in the size of farms in the southern states, from 335 acres in 1860 to 138 acres in 1900. Most of the land was not bought outright by the small farmer, however, but was worked on shares; the system of cash rents was never widespread. The share tenant system showed many variations.

In South Carolina a scheme proposed by a negro laborer came into vogue as early as 1866. The laborer was to work for the land-owner five days per week, and have a house, rations, three acres of land, a mule and plow every other Saturday to work the land, and \$16 in money at the end of the year.³

This system proved very successful and in subsequent years it was modified and extended. The most common share system today among the negroes, with whom it is most customary, consists in granting a family a piece of land, usually from 10 to 50 acres, and taking a share of the crop as rent. This share depends of course upon the proportion of capital, food, labor, etc., furnished by the tenant.

Such a system met the necessities of the economic situation in the South after the Civil War in the best possible way, and its success showed that it offered the true solution. It gave the freedman the liberty and freedom of movement that he demanded, and at the same time permitted the owner to have his land cultivated on reasonable terms. As the negroes were entirely without capital, and often thriftless, supplies of food and capital had to be advanced to them by the plantation owners whose land they cultivated. The planters in turn borrowed from the factors at the ports or principal market towns of the South. But with the breakdown of the old plantation system, the large planters gave way to small farmers, while many of the former laborers became tenants. These small tenant farmers had need of credit quite as

³ *Census, 1900, Special Reports, "Supplementary Analysis,"* p. 522.

much as the large planters, but the small size of their undertakings necessitated a change in the credit system. The person best qualified to make the advances was the local merchant, who was acquainted with the borrower and who could safely assume the risk. The southern merchant consequently undertook the business of making loans to the cotton growers and of marketing the crops. To secure the loan a mortgage on the growing crop was usually taken. This crop-lien system resulted in the virtual peonage of the small farmers and tenants who resorted to it. The advances were never in the form of money, but consisted of food, clothing, seed, implements, etc., all of which had to be purchased, often at exorbitant prices, from the creditor merchant, for no other merchant would sell supplies except for cash. The growing crop was subject to the constant supervision of the merchant, and when gathered was sold to him to satisfy the mortgage. Often, too, the merchant dictated the crop that was to be grown, and so deprived the farmer of all freedom; as cotton was usually preferred, because of the ease of marketing, all diversification of agriculture was estopped by this system. After blighting southern agriculture for over two decades, the crop lien has finally been lifted by means of the high prices for cotton of the past few years and today has almost disappeared. In 1906 for the first time, according to the report of Secretary Wilson, there was over \$1,000,000,000 in southern banks.

In view of the history and economic status of the negro in this country the growth of tenantry among the colored race must be regarded as evidence of a healthy economic development rather than as a sign of disease. Of the negro farms 75 per cent. are rented either on shares or for a cash rent, the larger proportion being found in the metayer class of share tenants.

The greatest increase in the proportion of tenant farms is in the south central states where there is the greatest concentration of the negro population and the greatest extension of cotton growing. It is a peculiar feature of cotton growing that it is largely in the hands of tenant farmers, over two-thirds of the crop having been grown by them in 1900. Almost half of the cotton farms are in the hands of negroes; in fact, he usually confines himself to this staple, having as yet shown little willingness to diversify his crops. While the average yield per acre in 1900 was less for the negro owner (0.368 bale) than for the white owner (0.398 bale), the difference is so slight, considering the difficulties under which the

negro operates, as to afford ground for hope in the increased efficiency of the negro as a producer of cotton. There is a hopeful sign in the fact that the negro makes the most progress in those parts of the South where he is most closely associated with the white man, and where he sees in his example an incentive for becoming a landowner. The change in the status of the negro from slave to tenant bridges a gulf which it took the human race centuries to span. If he is not easily raised from the position of a tenant to that of an owner, there is no need for pessimism. There is a growing tendency for the share tenant to become a renter for a fixed money rental (38 per cent. were share tenants, and 36.6 per cent. cash tenants), which marks a higher stage in his emergence from slavery to liberty. The final step from cash rentals to ownership has been taken by a few—25 per cent. of negro farmers now own their farms—but for the mass of the colored race it must necessarily be a slow one.

One other consideration may be urged in substantiation of the belief that the real tendency of farm tenure is toward ultimate ownership rather than tenantry. As the country grows in population and develops, agriculture will necessarily become more intensive, as it is already in the East. Now it is precisely in those farms which are used for the most intensive cultivation, such as those for flowers and plants, for fruits, and for dairy products, that ownership is most prevalent—in each of these cases over three-fourths of the farms being owned—while in extensive culture, as hay and grain, the proportion of rented farms is greatest.

Nor does the existence of mortgage indebtedness warrant any gloomy forboding; taken in connection with the other facts it must be held to represent the struggle of the former tenant to purchase an equity in the land he tills, or of the small owner to provide himself with the necessary capital for improvements. As a result of the prosperity of the last few years the farmers have been paying off these debts, and are today probably in a stronger position than at any earlier time in our history.

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